

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 26, 2007

Mr. Ross T. Parker Regional Director Gas Transmission-Northwest Suite 900 1400 SW 5th Avenue Portland, OR 97201 SENT TO COMPLIANCE REGISTRY

Hardcopy __ Electronically __/

of Copies __/ Date _4/27/67

CPF 5-2007-0018W

Dear Mr. Parker:

On January 30 through August 28 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your pipeline facilities and supporting records in the State of Oregon.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 1. §192.463 External corrosion control: Cathodic protection.
 - (a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

For the period inspected (2004 to 2006), Gas Transmission-Northwest's (GTN) annual cathodic protection survey records failed to evidence adequate pipe-to-soil potential readings (P/S) for two consecutive years as follows:

Location or MP	CY 2005 P/S (V) On/Off/Depolarized*	CY 2006 P/S (V) On/Off/Depolarized*
Station 10 #16	0.815/0.737/none	0.653/0.570/none
Station 10 #30	0.689/0.684/none	0.654/0.590/none
Station 12 #17	0.764/0.762/none	0.653/0.570/none
Station 12 #18	0.776/0.774/none	0.808/0.675/none
Coyote Springs. Meter Station #6	0.700/0.617/0.606	0.730/0.650/0.606
MP 538.5	0.738/0.689/none	0.642/0.460/none
MP 540.4	0.757/0.705/none	0.674/0.472/none
MP 548.9	0.742/0.727/none	0.692/0.521/none

^{* &}quot;none" Entries mean no depolarized test performed.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in GTN being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to 5-2007-0018W. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Chris Hoidal

Director, Western Region

Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry

PHP-500 C. Allen (#117351 & 116792)